

VERNON TOWNSHIP
(SHIAWASSEE COUNTY)

FINANCIAL STATEMENTS

MARCH 31, 2006

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Vernon Township	County Shiawassee
Fiscal Year End March 31, 2006	Opinion Date May 9, 2006	Date Audit Report Submitted to State May 22, 2006	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☒ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☒ The local unit is free of repeated comments from previous years.
12. ☐ ☒ The audit opinion is UNQUALIFIED.
13. ☐ ☒ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

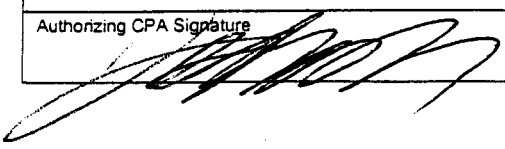
We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Demis and Wenzlick, P.C.		Telephone Number 989-723-8227	
Street Address 217 N. Washington, Suite 201		City Owosso	State MI
		Zip 48867	
Authorizing CPA Signature 	Printed Name James Demis, Jr.		License Number 1101008874

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INDEPENDENT AUDITOR'S REPORT

Vernon Township Board
Vernon, Michigan

We have audited the accompanying general-purpose financial statements of Vernon Township, Shiawassee County, Michigan, as of March 31, 2006. These general-purpose financial statements are the responsibility of the Vernon Township management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities and business-type activities as required by the Governmental Accounting Standards Board (GASB 34). Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. GASB 34 requires management's discussion and analysis which also has not been prepared.

In our opinion, except for the non-application of GASB 34, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Vernon as of March 31, 2006, and the results of its operations for the period then ended in conformity with accounting principles generally accepted in the United States of America.

Our examination was made for the purpose of forming an opinion on the combined general-purpose financial statements taken as a whole and on the combining and individual fund financial statements. The accompanying financial information, listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the combined general-purpose financial statements of Vernon Township. Such information has been subjected to the auditing procedures applied in the financial statements of the combined, combining and individual fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined general-purpose financial statements taken as a whole.

Our report of comments and recommendations has been submitted under date of May 9, 2006.

Dennis and Wengert, PC

Certified Public Accountants

Owosso, Michigan
May 9, 2006

VERNON TOWNSHIP
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
MARCH 31, 2006

<u>GENERAL FUND TYPES</u>				FIDUCIARY FUND TYPE	<u>ACCOUNT GROUPS</u>	
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>TRUST & AGENCY</u>	<u>GENERAL FIXED ASSETS</u>	<u>GENERAL LONG TERM DEBT</u>
ASSETS:						
Cash	\$268,928	\$269,542	\$230,800	\$62,567	\$	\$
Taxes Rec.	11,893	24,802				
Due from Other Funds	135					
Fixed Assets					1,183,142	
Amt. To be Provided for General Long- Term Debt						44,453
TOTAL						
ASSETS	<u>\$280,956</u>	<u>\$294,344</u>	<u>\$230,800</u>	<u>\$62,567</u>	<u>\$1,183,142</u>	<u>\$44,453</u>
LIABILITIES:						
Accts. Pay \$	19,187	\$ 18,539	\$	\$	\$	\$
Due to Other Funds				135		
Due to Other Taxing Ent.				62,432		
Long-Term Debt						44,453
TOTAL						
LIAB.	\$ 19,187	\$ 18,539	\$ -0-	\$62,567	\$ -0-	\$44,453
Investment in General Fixed Assets	\$	\$	\$	\$	\$1,183,142	\$
Fund Bal.	<u>261,769</u>	<u>275,805</u>	<u>230,800</u>			
TOTAL FUND EQUITY	<u>\$261,769</u>	<u>\$275,805</u>	<u>\$230,800</u>	<u>\$</u>	<u>\$1,183,142</u>	<u>\$</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$280,956</u>	<u>\$294,344</u>	<u>\$230,800</u>	<u>\$62,567</u>	<u>\$1,183,142</u>	<u>\$44,453</u>

The accompanying notes are an integral part of the financial statements.

VERNON TOWNSHIP
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED MARCH 31, 2006

	<u>GOVERNMENTAL FUND TYPES</u>		
	<u>GENERAL</u> <u>FUND</u>	<u>SPECIAL</u> <u>REVENUE</u>	<u>CAPITAL</u> <u>PROJECT</u>
REVENUES:			
Taxes	\$121,125	\$122,694	\$
Special Assessments	-0-	145,908	
Fees & Permits	38,257		
Intergovernmental	285,166		
Charges for Serv.	32,527		
Rent & Royalties	16,743		
Miscellaneous	<u>12,328</u>	<u>21,412</u>	<u>7,289</u>
TOTAL REVENUES	\$506,146	\$290,014	\$ 7,289
EXPENDITURES:			
Township Board	\$ 18,860	\$	\$
Supervisor	17,363		
Elections	719		
Clerk	17,633		
Board of Review	392		
Treasurer	31,083		
Professional Fees	28,754		
Cemetery	2,365		
Township Hall	43,444		
Assessor	24,267		
Highways & Streets	206,561		
Street Lights	4,440		
Drains at Large	12,865		
Building Inspector	35,775		
Planning Commission	1,910		
Insurance	27,205		
Magnet	-0-		
Fire		142,733	
Refuse		<u>147,915</u>	
TOTAL EXPENDITURES	<u>\$473,636</u>	<u>\$290,648</u>	<u>\$ -0-</u>
EXCESS OF REVENUES			
OVER (UNDER)	\$ 32,510	\$ (634)	\$ 7,289

The accompanying notes are an integral
 part of the financial statements.

VERNON TOWNSHIP
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED MARCH 31, 2006

	<u>GOVERNMENTAL FUND TYPES</u>		
	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>
Operating Transfers In	\$ -0-	\$ -0-	\$ -0-
Operating Transfers Out	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES AND OTHER USES	\$ 32,510	\$ (634)	\$ 7,289
 Fund Balance 3-31-05	 <u>229,259</u>	 <u>276,439</u>	 <u>223,511</u>
FUND BALANCE 3-31-06	<u>\$261,769</u>	<u>\$275,805</u>	<u>\$ 230,800</u>

The accompanying notes are an integral
 part of the financial statements.

VERNON TOWNSHIP
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE AND COMPARISON OF BUDGET TO ACTUAL
YEAR ENDED MARCH 31, 2006

	GENERAL FUND			SPECIAL REVENUE FUND TYPES			CAPITAL PROJECT FUND		
REVENUES:	BUDGET	ACTUAL	BUDGET	BUDGET	ACTUAL	BUDGET	BUDGET	ACTUAL	BUDGET
Property Taxes	\$ 80,000	\$ 121,125	\$ (41,125)	\$ 135,000	122,694	\$ 12,306	\$	\$	\$
Special Assessments				125,000	145,908	(20,908)			
Fees & Permits	40,000	38,257	1,743						
Intergovernmental	280,000	285,166	(5,166)						
Charges for Services	0	32,527	(32,527)						
Rents & Royalties	20,000	16,743	3,257						
Interest Earned	6,500	6,280	220		4,017	(4,017)	7,000	7,289	(289)
Miscellaneous	3,000	6,048	(3,048)		17,395	(17,395)			
TOTAL REVENUES	\$ 429,500	\$ 506,146	\$ (76,646)	\$ 260,000	\$ 290,014	\$ (30,014)	\$ 7,000	\$ 7,289	\$ (289)
EXPENDITURES:									
Township Board	\$ 30,000	18,860	\$ 11,140	\$	\$	\$	\$	\$	\$
Supervisor	18,000	17,363	637						
Elections	3,000	719	2,281						
Clerk	25,000	17,633	7,367						
Board of Review	1,500	392	1,108						
Treasurer	30,000	31,083	(1,083)						
Professional Fees	30,000	28,754	1,246						
Cemetery	5,000	2,365	2,635						
Magnet	4,000	0	4,000						
Township Hall	20,000	43,444	(23,444)						
Assessor	25,000	24,267	733						
Highways & Streets	200,000	206,561	(6,561)						
Street Lights	5,000	4,440	560						
Drains at Large	20,000	12,865	7,135						
Building Inspector	40,000	35,775	4,225						
Planning Commission	5,000	1,910	3,090						
Insurance	35,000	27,205	7,795						
Fire				150,000	142,733	7,267			
Refuse				155,000	147,915	7,085			
TOTAL EXPENDITURES	\$ 496,500	\$ 473,636	\$ 22,864	\$ 305,000	\$ 290,648	\$ 14,352	\$ 0	\$ 0	\$ 0
REVENUES OVER (UNDER) EXPENDITURES	\$ (67,000)	\$ 32,510	\$ (99,510)	\$ (45,000)	\$ (634)	\$ (44,366)	\$ 7,000	\$ 7,289	\$ (289)
OTHER SOURCES (USES) OF FUNDS:									
Operating Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Operating Transfers Out	0	0	0	0	0	0	0	0	0
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ (67,000)	32,510	\$ (99,510)	\$ (45,000)	(634)	\$ (44,366)	\$ 7,000	7,289	\$ (289)
Fund Balance 04/01/05		229,259			276,439			223,511	
Fund Balance 03/31/06		\$ 261,769			\$ 275,805			\$ 230,800	

The accompanying notes are an integral part of the financial statements.

VERNON TOWNSHIP
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED MARCH 31, 2006

CURRENT TAX COLLECTION FUND

	<u>BALANCE</u> <u>3-31-05</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>3-31-06</u>
ASSETS:				
Cash	\$ <u>382</u>	\$ <u>3,047,464</u>	\$ <u>2,985,279</u>	\$ <u>62,567</u>
LIABILITIES:				
Due to Other Funds	\$ 382	\$ 470,594	\$ 470,841	\$ 135
Due to Other Taxing Ent.	<u>-0-</u>	<u>2,576,870</u>	<u>2,514,438</u>	<u>62,432</u>
	\$ <u>382</u>	\$ <u>3,047,464</u>	\$ <u>2,985,279</u>	\$ <u>62,567</u>

The accompanying notes are an integral part of the financial statements.

VERNON TOWNSHIP
SCHEDULE OF INDEBTEDNESS - FIRE TRUCK LEASE
MARCH 31, 2006

Vernon Township purchased a fire truck, in the Fire Fund. This purchase was financed as a lease purchase and capitalized with a fair market value of \$198,350 in the March 31, 2003 fiscal year. Following are the terms of repayment, along with the amounts deemed to be interest. The average interest rate is 6.04% per annum.

RENTAL PAYMENT SCHEDULE

The rental payments shall be made for the equipment as follows:

<u>PAYMENT DATE</u>	<u>PAYMENT AMOUNT</u>	<u>INTEREST AMOUNT</u>	<u>PRINCIPAL AMOUNT</u>
10-July-06	\$ <u>47,138</u>	\$ <u>2,685</u>	\$ <u>44,453</u>
TOTAL	\$ <u>47,138</u>	\$ <u>2,685</u>	\$ <u>44,453</u>

The accompanying notes are an integral part of the financial statements.

VERNON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Vernon Township have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

A. COMPONENT UNITS

The accompanying financial statements present the Township's primary government and component units over which the Township exercises significant influence. Significant influence was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligation of the Township to finance any deficits that may occur or receipt of significant subsidies from the Township Component Units that do not meet the criteria for blending are reported discretely.

There are no component units that are reported in the Township's Financial Statements.

The Library Board has elected to report its audited financial statements under separate cover.

B. FUND ACCOUNTING

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

VERNON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

B. FUND ACCOUNTING (CONTINUED)

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: Governmental, Proprietary and Fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a pension trust fund, a nonexpendable trust fund or an "expendable" trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements on these funds present increases (i.e. revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

VERNON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

C. BASIS OF ACCOUNTING (CONTINUED)

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund liability is incurred.

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, and charges for services. Sales taxes collected and held by the state at year end on behalf of the government also are recognized as revenue. Fines, permits and parking meter revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The government reports deferred revenue on its combined balance sheet. Deferred revenue arise when a potential revenue does not meet the "measurable" and "available" criteria for recognition are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

D. BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue and debt service funds. All annual appropriations lapse at fiscal year end.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is not utilized in the governmental funds. Encumbrances outstanding at year end are not reported as reservations of fund balances and also do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

VERNON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

E. CASH AND INVESTMENTS

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

Investments are stated at cost or amortized cost, except for investments in the deferred compensation agency fund which are reported at market value.

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables".

G. FIXED ASSETS

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchase fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed using the straight line method.

VERNON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

H. COMPENSATED ABSENCES AND POST EMPLOYMENT BENEFITS

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditures and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for those amounts. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

Under the Consolidated Omnibus Budgeting Reconciliation Act (COBRA) certain requirements are outline for health insurance coverage of former employees and eligible dependents. The Township does not have health insurance coverage for its employees, therefore, there are no post-employment health care benefits.

I. COMPARATIVE DATA

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

J. LONG-TERM OBLIGATIONS

The government reports long-term debt of governmental funds at face value in the general long-term debt account group.

K. ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets, liabilities, and the reported revenues and expenses.

VERNON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE 2. LEGAL COMPLIANCE - BUDGETS

Before the beginning of each fiscal year, all agencies of the government submit requests for appropriation so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

Before the beginning of each fiscal year, the proposed budget is presented to the board for review. The government's board holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available or the revenue estimates must be changed by an affirmative vote of a majority of the board.

Expenditures may not legally exceed budgeted appropriations. The original general fund budget was amended during the year. The final amended budget is included in the financial statements.

NOTE 3. - CASH AND CERTIFICATES OF DEPOSIT

The Township's deposits at March 31, 2006, consisted of cash and certificates of deposit at one financial institution.

<u>INSTITUTION</u>	<u>AMOUNT</u>	<u>FDIC INSURED</u>	<u>UNINSURED</u>
<u>A</u>			
Demand Deposits	\$831,837	\$100,000	\$731,837

NOTE 4. - RETIREMENT

The board approved a money purchase pension plan, effective June 20, 1991. The township contributed \$3,266 to the retirement plan for the year ended March 31, 2006. The township contribution is 6% of annual compensation.

VERNON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE 5. - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

P.A. 621 of 1978, Section 18 (a) as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a activity basis. The approved budgets of the township for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2006, the township incurred expenditures in certain budgetary line items which were in excess of the amounts appropriated, as follows:

	<u>BUDGETED</u>	<u>EXPENDED</u>	<u>OVER BUDGET</u>
General Funds:			
Roads	\$200,000	\$206,561	\$ 6,561
Treasurer	30,000	31,083	1,083
Twp. Hall	20,000	43,444	23,444

NOTE 6. - PROPERTY TAX

Taxes levied on December 1, are payable on February 14. The township bills and collects its own property taxes and also taxes for the county and local school districts. Collections of the county and school taxes and remittances of them are accounted for in the current tax collection fund. Township property taxes are recognized when levied to the extent that they result in current receivables.

VERNON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE 7. - CHANGES IN GENERAL FIXED ASSETS
A summary of changes in general fixed assets follows:

PRIMARY AND COMPONENT GOVERNMENTS

	<u>BALANCE</u> <u>3-31-05</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>3-31-06</u>
Land & Building	\$ 279,370	\$ 4,995	\$ -0-	\$ 284,365
Office Equipment	59,611	836	-0-	60,447
Library Equipment	9,644	-0-	-0-	9,644
Fire Equipment	<u>812,895</u>	<u>15,791</u>	<u>-0-</u>	<u>828,686</u>
	<u>\$1,161,520</u>	<u>\$ 21,622</u>	<u>\$ -0-</u>	<u>\$1,183,142</u>

NOTE 8. GENERAL LONG-TERM DEBT

The township purchased a fire truck, in the Fire Fund. This purchase was financed as a lease purchase and capitalized, with a fair market value of \$198,350 in the March 31, 2003 fiscal year. Following are the terms of repayment, along with the amounts deemed to be interest. The average interest rate is 6.04% per annum.

RENTAL PAYMENT SCHEDULE

The Rental Payments shall be made for the equipment as follows.

<u>PAYMENT DATE</u>	<u>PAYMENT</u> <u>AMOUNT</u>	<u>INTEREST</u> <u>AMOUNT</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>
10-July-06	<u>47,138</u>	<u>2,685</u>	<u>44,453</u>
TOTAL	<u>\$ 47,138</u>	<u>\$ 2,685</u>	<u>\$ 44,453</u>

NOTE L - GASB 34

The Township has elected not to present management's discussion and analysis report and display the financial position and changes in financial position of its business type activities as required by the Governmental Accounting Standards Board (GASB 34). Accounting principles generally accepted in the United States of America require the presentation of management's discussion and analysis report and the presentation of government-wide financial statements.

OTHER FINANCIAL INFORMATION

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

VERNON TOWNSHIP
GENERAL FUND
COMPARATIVE BALANCE SHEET
MARCH 31, 2006 AND 2005

ASSETS

	<u>2006</u>	<u>2005</u>
Cash	\$268,928	\$232,891
Taxes Receivable	11,893	10,579
Due from Tax Fund	<u>135</u>	<u>382</u>
	<u>\$280,956</u>	<u>\$243,852</u>

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ 19,187	\$ 14,593
Fund Balance	<u>261,769</u>	<u>229,259</u>
	<u>\$280,956</u>	<u>\$243,852</u>

The accompanying notes are an integral
part of the financial statements.

VERNON TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEAR ENDED MARCH 31, 2006 AND 2005

	<u>2006</u>		<u>2005</u>	
	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL (OVER) UNDER BUDGET</u>	<u>ACTUAL</u>
Revenues:				
Taxes:				
Current Property				
Taxes	\$	\$104,123	\$	\$101,120
Mobile Home Taxes		6,218		5,154
Act 425 Taxes		<u>10,784</u>		<u>11,303</u>
TOTAL TAXES	\$ 80,000	\$121,125	\$ (41,125)	\$117,577
Fees & Permits:				
Licenses, Fees &				
Permits	\$	<u>\$ 38,257</u>	\$	<u>\$ 19,833</u>
TOTAL FEES & PERMITS	\$ 40,000	\$ 38,257	\$ 1,743	\$ 19,833
Intergovernmental:				
State of Michigan	\$	\$285,166	\$	\$287,397
TOTAL INTER- GOVERNMENTAL	<u>\$280,000</u>	<u>\$285,166</u>	<u>\$ (5,166)</u>	<u>\$287,397</u>
Revenues:				
Charges for Services:				
Collection Fees	.\$	<u>32,527</u>	\$	<u>31,159</u>
TOTAL CHARGES FOR SERVICES	\$ -0-	\$ 32,527	\$ (32,527)	\$ 31,159
Rents & Royalties:				
Hall Rental	\$	\$ 2,695	\$	\$ 2,940
Royalties		<u>14,048</u>		<u>14,451</u>
TOTAL RENTS & ROYALTIES	\$ 20,000	\$ 16,743	\$ 3,257	\$ 17,391

The accompanying notes are an integral
part of the financial statements.

VERNON TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (CONTINUED)
YEAR ENDED MARCH 31, 2006 AND 2005

	<u>2006</u>		<u>2005</u>
	<u>AMENDED</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
	<u>BUDGET</u>		<u>UNDER</u>
			<u>BUDGET</u>
			<u>ACTUAL</u>
Miscellaneous Receipts:			
Metro Act \$		\$ 5,057	\$ 4,584
Interest Earned		6,280	4,520
Dog Fees & Misc.		991	452
TOTAL MISCELLANEOUS	\$ <u>9,500</u>	\$ <u>12,328</u>	\$ <u>(2,828)</u>
TOTAL REVENUES	\$ <u>429,500</u>	\$ <u>506,146</u>	\$ <u>(76,646)</u>
Expenditures:			
General Gov't:			
Twp. Board:			
Salaries-Trustees \$		\$ 3,843	\$ 3,508
Prof. Serv.		2,900	2,800
Retirement		3,380	2,782
FICA		134	49
Print. & Publ.		396	66
Jobs		4,980	9,960
Water & Sewer Study		-0-	277
Dues & Educ.		3,040	2,847
Rep. & Maint.		160	-0-
Mileage		27	-0-
	\$ <u>30,000</u>	\$ <u>18,860</u>	\$ <u>11,140</u>
Supervisor:			
Salaries	\$	\$ 13,542	\$ 13,542
FICA		158	179
Office Supplies		1,838	2,686
Tax Roll Prep.		1,825	3,379
	\$ <u>18,000</u>	\$ <u>17,363</u>	\$ <u>637</u>
Elections:			
Salaries	\$	\$ -0-	\$ 3,716
Rep. & Maint.		-0-	1,659
Print. & Publ.		12	106
Office Supp.		707	16
	\$ <u>3,000</u>	\$ <u>719</u>	\$ <u>2,281</u>

The accompanying notes are an integral part of the financial statements.

VERNON TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (CONTINUED)
YEAR ENDED MARCH 31, 2006 AND 2005

		<u>2006</u>		<u>2005</u>
	<u>AMENDED</u>	<u>ACTUAL</u>	<u>ACTUAL</u> (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
	<u>BUDGET</u>			
Clerk:				
Salaries	\$	\$ 13,542	\$	\$ 14,125
Salary-Deputy		1,329		2,598
FICA		209		187
Office Supplies		2,041		2,348
Dues & Education		130		50
Mileage		382		167
	\$ 25,000	\$ 17,633	\$ 7,367	\$ 19,475
Board of Review:				
Salaries	\$	\$ 150	\$	\$ 250
FICA		11		23
Office Supplies		51		52
Education		180		220
	\$ 1,500	\$ 392	\$ 1,108	\$ 545
Treasurer:				
Salaries	\$	\$ 20,050	\$	\$ 20,585
Salaries-Deputy		3,007		3,441
FICA		273		281
Office Supplies		1,252		1,111
Tax Statement Prep.		5,743		3,379
Mileage		678		643
Software		-0-		845
Education		80		-0-
	\$ 30,000	\$ 31,083	\$ (1,083)	\$ 30,285
Professional Fees:				
Attorney Fees	\$ 30,000	\$ 28,754	\$ 1,246	\$ 35,329
Cemetery:				
Repairs & Maint.	\$ 5,000	\$ 2,365	\$ 2,635	\$ 2,200
Magnet:	\$ 4,000	\$ -0-	\$ 4,000	\$ 3,960

The accompanying notes are an integral part of the financial statements.

VERNON TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED MARCH 31, 2006 AND 2005

		<u>2006</u>		<u>2005</u>
	<u>AMENDED</u> <u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
Township Hall:				
Wages	\$	\$ 281	\$	\$ 375
Repairs & Maint.		9,081		5,733
Utilities		5,951		5,224
Telephone		2,389		2,081
Mowing/Snow		710		1,143
Office Supplies		4,651		4,997
Equipment		<u>20,381</u>		<u>-0-</u>
	\$ 20,000	\$ 43,444	\$ (23,444)	\$ 19,553
Assessor:				
Salary	\$	\$ 24,100	\$	\$ 26,108
Office Supplies		<u>167</u>		<u>-0-</u>
	\$ 25,000	\$ 24,267	\$ 733	\$ 26,108
Highways, Streets & Bridges:				
Roads	\$200,000	\$206,561	\$ (6,561)	\$179,588
Lights:				
Public Utilities	\$ 5,000	\$ 4,440	\$ 560	\$ 5,233
Drains:				
Drains at Large	\$ 20,000	\$ 12,865	\$ 7,135	\$ 13,730
Building Inspector:				
Salaries	\$ 40,000	\$ 35,775	\$ 4,225	\$ 17,431
Planning Commission:				
Salary	\$	\$ 1,795	\$	\$ 2,530
FICA		115		162
Office Supplies		-0-		63
Education		-0-		-0-
Master Use Plan		<u>-0-</u>		<u>466</u>
	\$ 5,000	\$ 1,910	\$ 3,090	\$ 3,221
Insurance	<u>35,000</u>	<u>27,205</u>	<u>7,795</u>	<u>29,384</u>
TOTAL EXPENDITURES	<u>\$496,500</u>	<u>\$473,636</u>	<u>\$ 22,864</u>	<u>\$433,614</u>

The accompanying notes are an integral part of the financial statements.

VERNON TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED MARCH 31, 2006 AND 2005

		<u>2006</u>		<u>2005</u>
	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (67,000)	\$ 32,510	\$ (99,510)	\$ 49,299
Other Sources (Uses) of Funds:				
Operating Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Operating Transfers Out	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(289)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ <u>(67,000)</u>	\$ 32,510	\$ <u>(99,510)</u>	\$ 49,010
Fund Balance at Beginning of Year		<u>229,259</u>		<u>180,249</u>
FUND BALANCE AT END OF YEAR		\$ <u>261,769</u>		\$ <u>229,259</u>

The accompanying notes are an integral part of the financial statements.

Special Revenue Funds

Fire Fund

Fire Fund is used to account for the operation of the township fire department. Resources of the funds are provided by a tax levy for fire protection.

Refuse Fund

The Refuse Fund is used to account for the collection of the refuse special assessment and the disbursement of those funds for the collection of the refuse of the township's residents.

VERNON TOWNSHIP
SPECIAL REVENUE FUND
COMPARATIVE COMBINING BALANCE SHEET
MARCH 31, 2006 AND 2005

	<u>2006</u>		<u>2005</u>	
	<u>FIRE</u>	<u>REFUSE</u>	<u>TOTALS</u>	<u>TOTALS</u>
ASSETS:				
Cash	\$ 98,383	\$171,159	\$269,542	\$272,034
Taxes Receivable	11,225	13,577	24,802	23,227
Due from Tax Fund	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	<u>\$109,608</u>	<u>\$184,736</u>	<u>\$294,344</u>	<u>\$295,261</u>
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ 5,934	\$ 12,605	\$ 18,539	\$ 18,823
Fund Balance	<u>103,674</u>	<u>172,131</u>	<u>275,805</u>	<u>276,438</u>
	<u>\$109,608</u>	<u>\$184,736</u>	<u>\$294,344</u>	<u>\$295,261</u>

The accompanying notes are an integral part of the financial statements.

VERNON TOWNSHIP
SPECIAL REVENUE FUND
COMPARATIVE COMBINING STATEMENT OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2006 AND 2005

	<u>2006</u>			<u>2005</u>
	<u>FIRE</u>	<u>REFUSE</u>	<u>TOTALS</u>	<u>TOTALS</u>
REVENUES:				
Property Taxes	\$ 122,694	\$ -0-	\$ 122,694	\$118,310
Special Assmt.	-0-	145,908	145,908	144,288
Grants	-0-	-0-	-0-	-0-
Interest	886	3,131	4,017	2,036
Other Income	<u>17,395</u>	<u>-0-</u>	<u>17,395</u>	<u>2,306</u>
TOTAL REVENUES	\$ 140,975	\$149,039	\$ 290,014	\$266,940
EXPENDITURES:				
Fire Expenditures	\$ 142,733	\$ -0-	\$ 142,733	\$144,343
Refuse Service	<u>-0-</u>	<u>147,915</u>	<u>147,915</u>	<u>148,122</u>
TOTAL EXPENDITURES	\$ <u>142,733</u>	\$ <u>147,915</u>	\$ <u>290,648</u>	\$ <u>292,465</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (1,758)	\$ 1,124	\$ (634)	\$ (25,525)
Other Sources (Uses) of Funds:				
Operating Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ 50,289
Proceeds from Long- Term Debt Fin.				
Operating Transfers Out				
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES AND USES OF FUNDS	\$ (1,758)	\$ 1,124	\$ (634)	\$ 24,764
Fund Balance at Beginning of Year	<u>105,432</u>	<u>171,007</u>	<u>276,439</u>	<u>251,675</u>
FUND BALANCE AT END OF YEAR	<u>\$103,674</u>	<u>\$172,131</u>	<u>\$275,805</u>	<u>\$276,439</u>

The accompanying notes are an integral part of the financial statements.

VERNON TOWNSHIP
SPECIAL REVENUE FUND
FIRE FUND
COMPARATIVE BALANCE SHEET
MARCH 31, 2006 AND 2005

ASSETS

	<u>2006</u>	<u>2005</u>
Cash	\$ 98,383	\$102,041
Taxes Receivable	11,225	10,027
Due from Tax Fund	<u>-0-</u>	<u>-0-</u>
	<u>\$109,608</u>	<u>\$112,068</u>

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ 5,934	\$ 6,637
Fund Balance	<u>103,674</u>	<u>105,431</u>
	<u>\$109,608</u>	<u>\$112,068</u>

The accompanying notes are an integral
part of the financial statements.

VERNON TOWNSHIP
SPECIAL REVENUE FUND
FIRE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED MARCH 31, 2006 AND 2005

	<u>2006</u>		<u>2005</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:				
Current Property				
Tax	\$	\$122,694	\$	\$118,310
Interest		886		348
Reimbursements		<u>17,395</u>		<u>2,306</u>
TOTAL REVENUES	\$135,000	\$140,975	\$ (5,975)	\$120,964
EXPENDITURES:				
Personal Equipment	\$	\$ -0-	\$	\$ 96
Equipment		1,241		5,267
Wages		44,869		37,718
Building Maint.		1,292		2,834
Office & Misc.		1,945		1,835
Payroll Taxes		3,026		4,033
Communication		692		535
Radio Parts & Maint.		905		3,416
Truck Equipment Maint.		31,161		29,169
Fuel		2,057		1,428
Insurance		1,666		1,666
Utilities		5,596		4,810
Education & Promotion		2,126		5,223
Dues		858		909
Fire Truck-Prin.		41,921		39,534
Fire Truck-Int.		<u>3,378</u>		<u>5,870</u>
TOTAL EXPENDITURES	\$150,000	\$142,733	\$ 7,267	\$144,343
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	(15,000)	(1,758)	(13,242)	(23,379)
OTHER SOURCES (USES) OF FUNDS:				
Operating Transfers				
In	\$ -0-	\$ -0-	-0-	<u>50,289</u>
EXCESS OF REVENUES OVER (UNDER) EXPEND. & OTHER USES	\$ (15,000)	\$ (1,758)	\$ (13,242)	\$ 26,910
Fund Bal. at Beginning of Year		<u>105,432</u>		<u>78,522</u>
FUND BALANCE AT YEAR END		<u>\$103,674</u>		<u>\$105,432</u>

The accompanying notes are an integral part of the financial statements.

VERNON TOWNSHIP
SPECIAL REVENUE FUND
REFUSE FUND
BALANCE SHEET
MARCH 31, 2006 AND 2005

ASSETS

	<u>2006</u>	<u>2005</u>
Cash	\$171,159	\$169,993
Taxes Receivable	<u>13,577</u>	<u>13,200</u>
	<u>\$184,736</u>	<u>\$183,193</u>

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ 12,605	\$ 12,186
Fund Balance	<u>172,131</u>	<u>171,007</u>
	<u>\$184,736</u>	<u>\$183,193</u>

The accompanying notes are an integral
part of the financial statements.

VERNON TOWNSHIP
SPECIAL REVENUE FUND
REFUSE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED MARCH 31, 2006 AND 2005

		<u>2006</u>		<u>2005</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:				
Special Assmt.	\$	\$145,908	\$	\$144,288
Interest		<u>3,131</u>		<u>1,688</u>
TOTAL REVENUES	\$125,000	\$149,039	\$ (24,039)	\$145,976
EXPENDITURES:				
Refuse Collection				
Expense	\$	\$147,908	\$ 6,878	\$148,122
Bank Fee		<u>7</u>		
TOTAL EXPENDITURES	\$155,000	\$147,915	\$ 7,085	\$148,122
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	\$ <u>(30,000)</u>	\$ 1,124	\$ <u>(31,124)</u>	\$ (2,146)
Fund Balance at Beginning of Year				
		<u>171,007</u>		<u>173,153</u>
FUND BALANCE AT END OF YEAR				
		<u>\$172,131</u>		<u>\$171,007</u>

The accompanying notes are an integral
part of the financial statements.

CAPITAL PROJECTS FUNDS

REVOLVING AND IMPROVEMENT FUND

Revolving and Improvement fund is used to account for money set aside by the Township Board for future improvements within the Township.

VERNON TOWNSHIP
REVOLVING AND IMPROVEMENT FUND
BALANCE SHEET
MARCH 31, 2006 AND 2005

ASSETS

	<u>2006</u>	<u>2005</u>
Cash	\$ <u>230,800</u>	\$ <u>223,511</u>

FUND BALANCE

Fund Balance	\$ <u>230,800</u>	\$ <u>223,511</u>
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The accompanying notes are an integral
part of the financial statements.

VERNON TOWNSHIP
 REVOLVING AND IMPROVEMENT FUND
 STATEMENT OF CASH REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 YEAR ENDED MARCH 31, 2006 AND 2005

	<u>BUDGET</u>	<u>2006</u>	ACTUAL OVER UNDER <u>BUDGET</u>	<u>2005</u>
REVENUES:				
Interest Income	\$ <u>7,000</u>	\$ <u>7,289</u>	\$ <u>(289)</u>	\$ <u>3,180</u>
TOTAL REVENUES	\$ <u>3,000</u>	\$ <u>7,289</u>	\$ <u>(289)</u>	\$ <u>3,180</u>
OTHER SOURCES (USES) OF FUNDS:				
Operating Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Operating Transfers Out	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(50,000)</u>
	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>(50,000)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	\$ <u>(7,000)</u>	7,289	\$ <u>(289)</u>	(46,820)
FUND BALANCE:				
Fund Balance Beginning of Year		<u>223,511</u>		<u>270,331</u>
FUND BALANCE AT END OF YEAR		<u>\$230,800</u>		<u>\$223,511</u>

The accompanying notes are an integral
 part of the financial statements.

Current Tax Collection Fund

Current Tax Collection Fund is used to receive the Township's current tax and to distribute such monies to the local school districts, county and township general fund.

VERNON TOWNSHIP
CURRENT TAX COLLECTION FUND
BALANCE SHEET
MARCH 31, 2006 AND 2005

ASSETS

	<u>2006</u>	<u>2005</u>
Cash	\$ <u>62,567</u>	\$ <u>382</u>

LIABILITIES

Due to Other Funds	\$ 135	\$ 382
Due to Other Taxing Entities	<u>62,432</u>	<u>-0-</u>
	\$ <u>62,567</u>	\$ <u>382</u>

The accompanying notes are an integral
part of the financial statements.

VERNON TOWNSHIP
CURRENT TAX COLLECTION FUND
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES
YEARS ENDED MARCH 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
CASH RECEIPTS:		
Roll Property Tax Collection For:		
Shiawassee County	\$1,691,733	\$1,634,672
State of Michigan	-0-	-0-
Corunna School District	110,299	100,816
Durand School District	697,442	677,671
Byron School District	525	565
Vernon Township	92,529	92,888
Fire Fund	111,424	108,051
Refuse Fund	131,791	130,980
Library	47,946	44,014
DVA Ambulance	<u>62,432</u>	<u>62,088</u>
	\$2,946,121	\$2,851,745
Other Receipts:		
IFT	\$ 6,009	\$ 6,044
Excess Taxes Collected	6,123	3,662
Delinquent Taxes	48,956	51,700
Tax Collection Fees	32,527	28,539
Dog Licenses	3,810	3,670
Interest & Penalties	<u>3,918</u>	<u>3,494</u>
	\$ <u>101,343</u>	\$ <u>97,109</u>
TOTAL CASH RECEIPTS	\$3,047,464	\$2,948,854
CASH DISBURSEMENTS:		
Shiawassee County	\$1,699,306	\$1,647,285
State of Michigan	4,147	-0-
Corunna School District	110,422	101,111
Durand School District	700,038	683,647
Byron School District	525	565
Vernon Township:		
General Fund	138,541	134,386
Fire Fund	121,495	118,110
Refuse Fund	144,991	143,616
Library	52,054	48,113
Other:		
DVA Ambulance	7,637	70,263
Refunds	<u>6,123</u>	<u>3,662</u>
TOTAL CASH DISBURSEMENTS	\$2,985,279	\$2,950,758
EXCESS OF CASH RECEIPTS OVER CASH DISBURSEMENTS	\$ 62,185	\$ (1,904)
CASH BALANCES:		
Cash Balance at Beginning of Year	<u>382</u>	<u>2,286</u>
CASH BALANCE AT END OF YEAR	\$ <u><u>62,567</u></u>	\$ <u><u>382</u></u>

The accompanying notes are an integral part of the financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets

VERNON TOWNSHIP
GENERAL FIXED ASSET ACCOUNT GROUP
BALANCE SHEET
MARCH 31, 2006 AND 2005

ASSETS

	<u>2006</u>	<u>2005</u>
Building and Land	\$ 284,365	\$ 279,370
Office Equipment	60,447	59,611
Library Equipment	9,644	9,644
Fire Equipment	<u>828,686</u>	<u>812,895</u>
	<u>\$1,183,142</u>	<u>\$1,161,520</u>

FUND BALANCE

Investment in General Fixed Assets	<u>\$1,183,142</u>	<u>\$1,161,520</u>
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The accompanying notes are an integral
part of the financial statements.

VERNON TOWNSHIP
FIXED ASSET FUND
ANALYSIS OF CHANGE IN FUND BALANCE
MARCH 31, 2006

	<u>BALANCE</u> <u>3-31-05</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>3-31-06</u>
Land and Buildings \$	279,370	\$ 4,995	\$ -0-	\$ 284,365
Office Equipment	59,611	836	-0-	60,447
Library Equipment	9,644	-0-	-0-	9,644
Fire Equipment	<u>812,895</u>	<u>15,791</u>	<u>-0-</u>	<u>828,686</u>
	<u>\$1,161,520</u>	<u>\$ 21,622</u>	<u>\$ -0-</u>	<u>\$1,183,142</u>

The accompanying notes are an integral
part of the financial statements.

GENERAL LONG-TERM DEBT

To account for the long-term contract
payable for the fire truck.

VERNON TOWNSHIP
GENERAL LONG-TERM DEBT ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
MARCH 31, 2006 AND 2005

ASSETS

	<u>2006</u>	<u>2005</u>
Amount to be Provided for the Retirement of Contracts	\$ <u>44,453</u>	\$ <u>86,375</u>

LIABILITIES

Loans Payable	\$ <u>44,453</u>	\$ <u>86,375</u>
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The accompanying notes are an integral
part of the financial statements.

VERNON TOWNSHIP
ANALYSIS OF CHANGE IN FUND BALANCE
GENERAL LONG-TERM DEBT
MARCH 31, 2006

	BALANCE <u>3-31-05</u>	<u>INCREASES</u>	<u>DECREASES</u>	BALANCE <u>3-31-06</u>
Fire Truck Loan Payable	\$ <u>86,375</u>	\$ <u>-0-</u>	\$ <u>41,922</u>	\$ <u>44,453</u>

The accompanying notes are an integral part of the financial statements.